Maintenance of stability and efficiency of stock market

3748. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government is keeping constant vigil to maintain the stability, integrity and efficiency of the stock market;

(b) whether any undesirable activity or manipulation has been detected in the market;

(c) if so, the details thereof;

(d) whether the Securities and Exchange Board of India (SEBI) has been able to track down various entities involved in activities where the specific share prices have fluctuated violently or their trading volumes risen sharply; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The authorities have put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems include advanced risk management mechanisms comprising on-line monitoring and surveillance, margin requirements, circuit filters, etc. which reduce the scope for excessive volatility in the market. The measures taken to broaden and deepen markets include: screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in derivatives, etc. SEBI takes proactive measures aimed at greater level of investor protection, by passing orders of debarment and penalty against violators of the SEBI Act, Rules and Regulations.

(d) and (e) SEBI monitors market movements, analyses trading pattern in stocks and indices and initiates appropriate action as necessary. It undertakes investigations to examine alleged or suspected violations, to gather evidence, and to identify persons/entities behind irregularities and violations, such as price manipulation, insider trading, public issue irregularities, takeover violations, and any other misconduct. SEBI has informed that during the year 2006-07, 345 prohibitive directions were issued under Section 11 of SEBI Act against various entities and 52 intermediaries were suspended and 27 warnings were issued.

ADB's loan for Orissa

3749. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Development Bank (ADB) proposed to grant Orissa Government $ 500 m loan to promote Public Private Partnership in infrastructure;

(b) if so, the details thereof; and

(c) the details of infrastructure that would be developed out of this fund?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. There is no proposal with Asian Development Bank (ADB) to provide $500 million to Orissa for promoting Public Private Partnership (PPP) in infrastructure. ADB is however supporting Government of India in setting up PPP cells under Technical Assistance project. Orissa is one of the states covered in this TA project. These cells are helping in strengthening the capacity of the State Governments in identifying and developing financially viable PPP projects.

(b) and (c) Do not arise.